

City of Newburgh, NY



Requests for Proposals

Professional Auctioneer Services

Due Date: 3 p.m., Tuesday, July 7, 2009

Dwight Douglas
Acting City Manager
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www.cityofnewburgh-ny.gov

A copy of this RFP and other resources are available via the City of Newburgh's web site at www.cityofnewburgh-ny.gov.

Overview

The City of Newburgh ("the City") has adopted Article 11 of the Real Property Tax Law and is responsible for enforcing all delinquent tax liens. The City Manager is the Tax Enforcement Officer for the City. It is anticipated that approximately 50 parcels will be offered for sale at this auction acquired via tax foreclosures or through other means.

Term of Agreement

This request for proposal is for a contract period beginning July 13, 2009 and ending January 31, 2010 under the terms and conditions herein. Additionally, any contract awarded may be extended, by mutual consent of the parties, for an additional two years through December 31, 2011.

Required Scope of Services

The City has endeavored to incorporate within this RFP all of the elements which it reasonably anticipates will be required to accomplish the intended objectives set forth in this RFP. In submitting a proposal, a proposer is agreeing to provide services consistent with these specifications.

If a proposer identifies an additional element not included in these specifications, which in its judgment would be an essential element to accomplish the intended objectives as articulated in this RFP, the proposer should identify this element in its proposal and explain in detail why the City should consider including this element within the Scope of Services. Conversely, if a proposer identifies a task within the Scope of Services which it believes could be modified or deleted without impacting the objectives of the RFP, the proposer should provide an explanation as to why the task should be deleted or modified. The City reserves the right to accept or reject all additions, deletions or modifications recommended.

The selected proposer will provide a detailed description of the manner in which the firm would propose to provide the following auction services which will include:

- a. Gather the following data for each parcel:
 1. hi-resolution digital photo,
 2. RPS Assessment printout in report format detailing the improved structures,
 3. tax map,
 4. property record card,
 5. copy of the most recently filed deed with metes and bounds description where applicable,
 6. IRS lien (if applicable),
 7. names and addresses of all bordering property owners.
- b. affix a disposable "auction" sign to each parcel which includes the Proposer's website address and "800" telephone number.

- c. create and print a minimum of 4,000 copies of the auction catalog of parcels for direct mail first-class pre-sort distribution to bordering property owners, auction advertising respondents, and walk-up distribution within the City offices which includes:
 - 1. details pertaining to the number of properties being sold, the date, time and location of the auction, the Proposer's website address and "800" number(s),
 - 2. complete "Terms and Conditions of the Auction" as approved by Municipal counsel,
 - 3. notification of the public information pre-auction bidder's seminar,
 - 4. notification where an improved property showing schedule will be posted,
 - 5. notification where information gathered in '3a' above will be posted on-line,
 - 6. notification regarding registration of bidding procedures,
 - 7. subject parcels sequentially numbered and identified by street addresses,
 - 8. a tax map cut of subject parcels along with photographs of improvements (if applicable),
 - 9. general assessment information including the tax grid number, brief description of any improvements including gross square footage, building style, number of bathrooms, lot size, school district, assessment valuation and an inspection opportunity announcement.
- d. create an "electronic version" of the printed catalog described in 'c' above and posted to the Proposer's website for public viewing 24/7 to include in viewing and printable formats:
 - 1. hi-resolution digital photo(s) for each subject property,
 - 2. RPS Assessment printout in report format detailing the improved structures,
 - 3. tax map cut,
 - 4. title-chain property record card,
 - 5. copy of the most recently filed deed with a metes and bounds description where available,
 - 6. IRS lien (if applicable),
 - 7. a computer-generated highway location map for the subject property with Google technology which allows prospective purchasers to locate the property and obtain driving directions "From Here" (their starting location) to the subject property,
 - 8. downloadable copy of the entire auction catalog in .PDF full color format,
 - 9. directions to auction venue (including Internet links) where applicable,
 - 10. list of removed parcels
 - 11. showing schedule of improved parcels,
 - 12. auction day "Bidder's Package,"
 - 13. HUD Lead Paint booklet,
 - 14. searchable database by Item # (subject parcel catalog number), keyword or category.
- e. create and print a minimum of 500 auction-day "Bidder's Package" publications to include all of the information contained in the direct-mail auction catalog plus a copy of:
 - 1. NYS DOS Agency Disclosure Form for Buyer and Seller,
 - 2. Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards,
 - 3. Agricultural District Disclosure Notice (where applicable),
 - 4. Terms and Conditions of the Auction (as signed by the auction registrants),
 - 5. Offer to Purchase and Receipt of Deposit (sample of the actual computer-generated contract of sale showing the prospective purchaser's name and address and assigned bidder number, their telephone number, the subject parcel tax grid number, the prospective bidder's signature and social security number or EIN number, the bid price, buyer's premium, surcharge (if applicable), advertising fee recapture amount, City/Town/County tax (if applicable), NYS Transfer Tax, Filing Fee for RP-5217, County

- Clerk Fee, the SUB-TOTAL amount, LESS DOWNPAYMENT amount and the TOTAL DUE by the closing date in cash or bank check payable to the City/County),
6. a statement of taxes due at closing as it pertains to each parcel in the auction (if applicable),
 - f. conduct a public information pre-auction seminar detailing all aspects of the auction process for prospective bidders, including first-time buyers. The seminar should include an overview of the “NYRPTL Article 11” process, methods for conducting lien searches, buyer due diligence, property inspections and downpayment requirements. Provide auction staff for early ‘auction-day registration’ of seminar attendees.
 - g. staff and conduct an orderly showing (pre-view) of improved parcels according to a publicized showing schedule which lists the order of properties and an approximate time they will be opened by your staff for this purpose. Provide tools and hardware to gain access to interior areas and to re-secure the access point with hasp-locks or power-driven decking style screws.
 - h. devise, implement and manage a commercially feasible marketing plan to promote the auction sale of subject properties at no-cost to the City. Promotional activities to include print media of local and regional publications, direct mail brochures, e-mail and other Internet means. Proposer to create a pre-auction ‘press release’ with such distribution requiring pre-approval from a City official. Submit a detailed marketing plan and the anticipated cost with your RFP response.
 - i. retain a public space for conducting the pre-auction seminar and auction event at a City-owned facility which considers the anticipated attendance capacity and parking facility needs. In the event that a municipal facility is not deemed viable for hosting said events, then every effort should be made to utilize a commercially available meeting space within the borders of, or nearby the City whenever possible at no-cost to the municipality.
 - j. provide all equipment and staff to conduct a professional auction event, including:
 1. a portable sound system with wireless microphone technology,
 2. digital hi-resolution videotaping system from TWO (2) vantage points,
 3. daylight projection systems for display of subject parcel information and downpayment activities,
 4. registration and clerking area personnel, paperwork and photocopier(s),
 5. computerized clerking and auctioneering program(s) which facilitate orderly processing of registrant information, successful bid amounts and automated calculation of individual transaction totals including a breakdown of deposits, fees and surcharges. Printing of such data to be in multiple copy form in order to provide a record to the City, the prospective Purchaser and the auction company,
 6. computer-generated copies of the closing documents including a deed as approved to form by Municipal counsel, along with the TP-584 (Transfer Tax Return) and the RP-5217 (Transfer Report),
 7. credit card cashiering services and processing on proposer-supplied equipment including telephone or VIOP access lines for credit card transactions,
 8. intranet server-based system linking proposer’s laptops, printers and peripheral devices,
 9. wireless or Ethernet cable Internet connection equipment,
 10. professionally trained staff including auction school graduates to call bids.

- k. Proposer will collect credit card down payment funds and will remit those funds to City bank account via wire-transfer within 24-hours of verification of down payment funds in Proposer's account.

General Provisions

In submitting a proposal, a proposer agrees to be bound by the requirements set forth in the following General Conditions. Whenever reference is made to the term "Contractor" this shall include the party with whom the City has entered into an agreement.

1. The City reserves the right to add, delete or withdraw parcels from the delinquent tax real property inventory up to 30-days prior to the actual date of the auction.
2. Auction shall be of real property and attached buildings (including mobile homes), but shall not include the personal property of the former landowner, unless specified by the City.
3. The City retains the right to approve or reject any and all bids to purchase real property for any reason whatsoever.
4. The contractor shall agree to defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of the performance of the agreement and to bear other costs and expenses related thereto; to indemnify and hold-harmless City of Newburgh, its officers, employees and agents from any and all liability damage claims, demands, costs, judgment, fees, attorney's fees, or losses arising directly or indirectly out of the performance or failure to perform hereunder by the contractor, or by third parties under the control and direction of the contractor.
5. Any contract awarded shall provide that the auctioneer shall not misrepresent the condition of any City tax delinquent property to a prospective buyer, and shall clearly state in the "Terms and Conditions of the Auction" that the parcels of real property are sold "as is, where is" without warranty expressed or implied.
6. The successful proposer will be required to execute a professional services agreement with City utilizing the standard form City Contract as the form for the contract which would result from the RFP, to formalize the contract for this activity. The final contract for this project will involve, at a minimum, the term and conditions set forth in this RFP (including the General Conditions) and may include those reflected in the specific proposal submitted. The contract documents shall be the exclusive source of the proposer's rights and remedies, and shall supersede any and all prior writings, negotiations or agreements of any kind.
7. In submitting a proposal, the proposer is certifying that:
 - a. The price proposal has been arrived at independently without collusion, consultation, communication, or agreement for the purposes of restricting competition, as to any matter relating to such prices with any other proposer or any other competitor.
 - b. The price proposal submitted in a proposal has not been knowingly disclosed by the proposer directly or indirectly to any other proposer or competitor.
 - c. No official or agent of the City has a direct or indirect interest in the awarding of a contract for the services set forth in this RFP.

8. It is understood that the Contractor is an independent contractor and shall not be considered an agent of the City nor shall any of the contractor's employees or agents be considered sub-agents for the City excepting the agency relationship described by NYS DOS regulations regarding licensed brokers/salespeople in real estate transactions.
9. The Contractor agrees to comply with the non-discrimination in employment policies as required by applicable State and Federal laws and regulations regarding employment discrimination. The Contractor assures the City that, in accordance with applicable law, it does not, and agrees that it will not, discriminate in any manner on the basis of age, color, creed, national origin, race religious belief, sexual preference, or handicap.
10. The Contractor shall without additional expense to the City be responsible for complying with any and all applicable laws, codes, and regulations in connection with the services described in the proposal.
11. The Contractor shall not assign or transfer any interest or claim under this contract except as authorized in writing by the City and, except as set forth in the Contractor's proposal, no contract shall be made by the Contractor with any other parties for furnishing any of the work or services under this contract without the approval of the City.
12. The exclusive means of disposing of any dispute arising under this contract which is not disposed of by agreement shall be decided in a New York State court of competent jurisdiction, located within the City, New York. There shall be no right to binding arbitration. Pending final resolution of a dispute, the Contractor must proceed diligently with contract performance. The contractor waives any dispute or claim not made in writing and received by the City within 30 days of the occurrence giving rise to the dispute or claim. A claim must be in writing, for a sum certain, and any money requested must be fully supported by all cost and pricing information.
13. The performance of work under the contract may be terminated by the City in whole or in part from time to time, effective upon receipt of notice, whenever the Contractor shall default in performance of this contract or fails to make progress in prosecution of the contract work or endangers such performance and fails to cure such default within a ten (10) day period after receipt of notification from the City specifying the default.
14. The City may at any time make incidental changes within the general scope of the contract related to services required. The contract shall be modified in writing to reflect any equitable adjustment justified by any increase or decrease in the Contractor's cost or time required for performance or change in scope of services.
15. CONTRACTOR shall procure and maintain insurance satisfactory to the CITY covering all locations and facilities operated or maintained by CONTRACTOR in the following coverages and amounts:
 - a. Comprehensive General Liability, including personal injury coverage of \$1,000,000 per occurrence - \$2,000,000 in the aggregate; property damage in the amount of \$500,000 per occurrence and \$1,000,000 in the aggregate.
 - b. Automobile coverage, with a combined single limit of \$1, 000,000.
 - c. Statutory Workers' Compensation and Disability coverages:

Prior to, but in no event later than, the execution of the contract, the successful proposer shall arrange with its insurance carrier to have the City along with its officers, employees, and agents listed as an additional named insured on all contracts of insurance necessary for performance of

the awarded contract, and shall provide proof acceptable to the City that those amendments to the insurance contract(s) have been accomplished by submitting copies of certificates of insurance indicating the endorsements are in place.

16. The City, or its duly authorized agent, shall have access to and copies of the Contractor's records, including any books, computer tapes, disks or programs, or material pertaining to work performed under the contract, at no cost to the City, to determine and verify the compliance with all contractual conditions. The City shall be granted access to such records without prior notice at all reasonable times during the contract period and for three (3) years thereafter.
17. By submission of a proposal under this solicitation, the proposer agrees that the City has 45 days acceptance time in which to award a contract. The City reserves the right to reject as non-responsive any offer that specifies less than 45 days of acceptance time.
18. Contractual obligations:
The correct and full legal business name of the entity involved must be used on contracts issued as a result of this solicitation. A trade name, (i.e., a shortened or different name under which the firm does business), should not be used when the full legal name is different; corporations must have names that comply with state law which requires a suffix indicating the corporate status of that business (e.g., Inc., Incorporated, etc.). The signature on the contract must conform to the following:
 - Where the contractor is a corporation, the signature must contain the corporation seal or an attestation by a separate corporate officer (usually the secretary) of the authority of the signing corporate officer to bind the corporation;
 - Where the contractor is a partnership, at least one general partner must sign;
 - Where the contractor is a sole proprietor, the owner of the company must sign.

<i>Response to the RFP</i>

Interested parties should submit the following information for consideration:

- I. A cover letter which includes the name, address, phone number, fax number, e-mail address, federal ID number (if applicable), and Business ID number (if applicable) of the person or entity submitting the proposal. The cover letter should also be used to describe why you are interested in this particular project and what you feel your organization can bring to the project that would be in the interest of Newburgh at this point in time.
- II. **QUALIFICATIONS**
A statement of the qualifications and expertise of the firm to provide Real Property Tax Foreclosure Auction sales under Article 11 of New York State Real Property Tax Law. Include the names and contact information for (the) lead person(s) who will be directly responsible for City engagement.
 1. **Resumes**
Provide a brief history of your company and key personnel. This requirement shall include copies of New York State Real Estate Broker and Salespersons licenses of Auctioneers and key staff that would be working on the City Real Property Tax Foreclosure Auction.

2. Representative Experience

- A complete description of the firm including relevant auction experience pertaining to Real Property Tax Foreclosure Auctions conducted in New York State under Article 11 of the Real Property Tax Law, over the past TEN (10) years. Do NOT include personal property or surplus equipment auction data to fulfill the requirements of this section
- Proposer shall describe the extent and use of their e-mail list that specifically targets real estate investors of NYS Tax Foreclosed Real Property.

4. References

This shall include a list of at least FIVE (5) Municipalities your firm has sold real property for in the past year. Include: The name of the Municipality, a key-person contact name and phone number at the Municipality, number of properties offered, number sold, total delinquency amount of offered properties, total amount of sale proceeds and the number of registered bidders. Do NOT include personal property or surplus equipment auction data to fulfill the requirements of this section

5. Insurance Requirements

Supply proof of errors and omission insurance in the amount of \$1,000,000.00 as a protection against any claim arising from charges of misrepresentation by the auctioneer. This requirement is supplemental to, and not in exclusion of, general liability and workers compensation insurance requirements set forth in the general conditions.

6. The proposal shall include any recommendations for improving the `City's process and/or increasing City revenues from Real Property Tax Foreclosure auction sales.

7. Price Proposal

Proposed fee structure and expense details for the scope of services outlined based on payments being made at completion of individual tasks. If an alternative pricing structure is proposed (i.e. percentage based on sales) – detailed information related to alternative proposal and anticipated timeframe for receipt of fees is required.

8. Miscellaneous Certifications

- Identify if the Proposer is a subsidiary of, or affiliated with, any other corporation(s) or firm(s).
- Indicate whether the Proposer, the parent corporation, subsidiary or affiliated corporation, or any of the officers or principal members or other interested parties, been adjudged bankrupt, either voluntarily or involuntarily, within the past 10 years.
- Indicate whether the Proposer or anyone referred to above has been indicted for or convicted of any felony within the past ten (10) years.
- Indicate whether the Proposer or anyone referred to above has been summoned to appear in Newburgh City Court on a Housing Code violation.

<i>Submission Requirements</i>

Respondents should submit two (2) copies of the requested information. The complete package of materials shall be submitted to the following agency and contact person:

Dwight H. Douglas, Acting City Manager
83 Broadway, City Hall
Newburgh, NY 12550

Proposal Due Date

**All responses must be received by 3 p.m. on
Tuesday, July 7, 2009**

Responses which do not meet this deadline will not be considered.

Minority-owned and women-owned business enterprises are encouraged to apply.

Method of Award

The proposed contract is a professional services contract, and as such is not subject to the competitive bidding requirements of the General Municipal Law. The award of this contract will be based on: total cost of this service, (both to the City and to prospective purchasers); the proposed marketing/advertising plan; proposed strategies to enhance revenue; and the specialization and experience of the proposer in municipal Real Property Tax Foreclosure Sales and Service.

The City reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with all qualified proposers, or to cancel in part or in its entirety this RFP if it is deemed in the best interests of the City to do so. Proposals which are incomplete or do not specifically address all areas of the RFP will be deemed 'unresponsive' and will be summarily rejected without cause or explanation given.

The City may award a contract based upon the proposals received, without discussion of such proposals with proposers and without weighting the importance of each of the proposed services to be performed on an equal basis. Each proposal should, therefore, be submitted in the most favorable terms the proposer can make to the City. The City does, however, reserve the right to request additional data or an oral presentation in support of the written proposal.

The award of a contract for the services outlined in this RFP is subject to the approval of the City Council of the City of Newburgh. Contract award decisions will be made public as soon as possible.

Proposers should not assume that their proposal has been approved until receipt of official notification from the City.

Notification of Award

Proposers will be notified of their acceptance of qualifications and their award on or about July 13, 2009. The City of Newburgh endeavors to under take this Auction in September 2009.